

HUBBAY MINERALS INC.

2023 Modern Slavery Report pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

April 17, 2024

Our Business

Hudbay Minerals Inc. (“Hudbay”, the “company”, “our” or “we”) is a diversified mining company with long-life assets in North and South America. The company’s Constancia operations in Cusco (Peru) produce copper with gold, silver and molybdenum by-products. Its Snow Lake operations in Manitoba (Canada) produce gold with copper, zinc and silver by-products. Its Copper Mountain operations in British Columbia (Canada) produce copper with gold and silver by-products. Hudbay has a development pipeline that includes the Copper World project in Arizona and the Mason project in Nevada (United States), and the company’s growth strategy is focused on the exploration, development, operation, and optimization of properties it already controls, as well as other mineral assets it acquires that fit its strategic criteria.

The value Hudbay creates and the impact it has is embodied in its purpose statement: “We care about our people, our communities and our planet. Hudbay provides the metals the world needs. We work sustainably, transform lives and create better futures for communities.” Hudbay’s mission is to create sustainable value and strong returns by leveraging its core strengths in community relations, focused exploration, mine development and efficient operations.

Hudbay views responsible corporate behaviour as being integral to the successful execution of its business strategies. In particular, Hudbay prides itself on maintaining a good relationship with regulators, employees, communities and other stakeholders. As of December 31, 2023, Hudbay had 76 employees at its Toronto-based corporate head office, 972 employees in Manitoba, 567 employees in British Columbia, 1048 employees in Peru and 45 employees in the United States.

The company’s corporate headquarters is in Toronto, Canada and operations are managed through regional business units in Manitoba, British Columbia, Peru, and Arizona. The company is governed by the *Canada Business Corporations Act* and its common shares are listed under the symbol “HBM” on the Toronto Stock Exchange, New York Stock Exchange and Bolsa de Valores de Lima.

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Overview of Supply Chain and Approach to Due Diligence

As a mining company that only processes mineral products extracted from its own operations, Hudbay is at the top of the supply chain with its inputs mainly being capital equipment, on-site services, off-site services, and operating and maintenance supplies / energy supplies. Hudbay has adopted a risk-based approach to supplier due diligence and focuses its responsible sourcing efforts on activities where it can have the greatest influence. Additionally, Hudbay has longstanding partnerships with many of its direct suppliers of the inputs referenced above that are used to support Hudbay's mining operations, particularly in Canada and Peru. Hudbay believes that nurturing such relationships is a key factor to ensure continuous improvement and minimize risk within its supply chain.

Based on a review of the U.S. Department of Labor's *List of Goods Produced by Child Labor or Forced Labor*, Hudbay has identified its Peru operations as having a higher potential risk of directly sourcing goods that have been produced using child or forced labour compared to its other operations and, as such, the company has adopted more stringent requirements when screening suppliers in Peru.

About This Report

Reporting entity: Hudbay Minerals Inc.

Entity activities:

- Producing goods in and outside of Canada
- Selling goods in and outside of Canada

Reporting period: January 1, 2023 – December 31, 2023

Purpose: Disclosure to the Federal Government of Canada and other Hudbay stakeholders to address the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

Scope: This report outlines the details of Hudbay's human rights standards, due diligence and hiring processes, and the company's risk-based approach to carrying out due diligence and screening its suppliers. Among other things, these policies are intended to mitigate the risk of employing forced or child labour within the organization and the company's supply chain.

Supplier Due Diligence

Overview

Hudbay has adopted a risk-based approach to supplier due diligence and has applied this approach to identifying the potential risk of the use of forced labour or child labour in the company's supply chain. The company focuses its efforts on those activities where it can have the greatest influence, including its local and direct suppliers.

Monitoring

Integrated into a formal management system, Hudbay has policies and procedures that ensure a risk-based due diligence process with regards to forced and child labour within the company's supply chain. Regular evaluations of Hudbay's core compliance policies are conducted by Hudbay's legal and internal audit functions. Such compliance policies are up for review on a periodic basis to ensure the company abides by all new legal requirements as well as any industry norms and standards. Additionally, Hudbay's sustainability strategies and compliance measures are overseen and reviewed by its Board of Directors, as well as its Environmental, Health, Safety and Sustainability Committee.

Additionally, as of 2024, all elevated risk suppliers in Peru are subject to automated ongoing monitoring through a third-party due diligence screening service and any adverse findings are reviewed by authorized employees in Hudbay's legal or compliance groups.

Policies and Procedures

Hudbay's Human Rights Policy denounces all forms of forced, compulsory and child labour, and states the company's commitment to prevent any infringement upon human rights within its sphere of influence. Hudbay aims to collaborate and work in partnership with other stakeholders to identify and effectively manage human rights concerns and modern slavery risks.

All suppliers, company-wide, are screened for corruption risks prior to doing business with Hudbay in accordance with Hudbay's Global Supplier Due Diligence Policy, which was comprehensively reviewed and updated in 2023, to, among other things, adopt additional screening procedures for responsible sourcing. One of these additional screening questions is specifically intended to identify the risk of forced or child labour in the company's suppliers in Peru. Authorized employees from Hudbay's legal and finance functions, as applicable, conduct heightened due diligence reviews on any suppliers that are identified as having an elevated risk of corruption or child or forced labour.

Additionally, it is a company-wide requirement that supplier contracts include a compliance clause that requires, among other things, a commitment from the company's suppliers to adhere to the principles contained in Hudbay's Statement on Anti-Corruption and Supplier Code of Business Conduct and Ethics or, alternatively, attest to having substantially similar policies with which they must comply.

Supporting local businesses by procuring goods and services that support Hudbay's activities is an effective way local communities can benefit from the company's presence. In addition to the due diligence procedures described above, which is performed on all of Hudbay's suppliers, each business unit conducts additional monitoring of on-site and local suppliers. The company seeks to do business with suppliers that share its values and are willing to work in partnership with Hudbay to continuously improve its performance and commitment to sound and ethical business practices.

The standards of conduct that we expect of suppliers who wish to do business with Hudbay are laid out in the list of policies/commitments below. Each of the Hudbay policies listed below has been in effect on a long-term basis. There are internal processes in-place to ensure each policy is reviewed periodically to ensure the applicable policy is aligned with then-current best practices and updated to include any necessary improvements.

Policies	Description
Human Rights Policy	Commits to fair labour practices and denounces all forms of forced, compulsory and child labour.
Code of Business Conduct and Ethics	Guides Hudbay, its subsidiaries and its employees in the ethical conduct of business.
Supplier Code of Business Conduct and Ethics	Sets out the minimum standards of conduct expected to be adhered to by all suppliers.
Customer Code of Conduct and Ethics	Sets out the minimum standards of conduct expected to be adhered to by all customers.
Statement of Anti-Corruption	Commitment to conducting business honestly, ethically and in compliance with the laws of the jurisdictions in which we operate, with the same expectation of suppliers.
Whistleblower Policy	Requirements for procedures for the submission, retention, and treatment of complaints received by the company and its subsidiaries with regards to the company's code of conduct.
Global Supplier Due Diligence Policy	Outlines risk-based approach to identifying potential suppliers who may represent an elevated risk for corruption. Also outlines commitment to source goods and services responsibly, conduct appropriate due diligence before agreeing to use services or to procure goods from suppliers, and perform ongoing monitoring.
Security Policy	Approach to security management and oversight at Hudbay.

Commitments	Description
Commitment to Towards Sustainable Mining	The Mining Association of Canada's set of indicators to drive performance and ensure mining risks, including forced and child labour, are managed responsibly.
Commitment to Voluntary Principles	Framework that ensures security practices include respect for human rights.
Commitment to UN Guiding Principles on Human Rights	Framework for businesses to respect human rights, including a public commitment, a due diligence process for assessing risks, and a method for providing a remedy for anyone who is impacted.

Each of Hudbay's business units are required to follow these company-wide policies and commitments. In order to ensure Hudbay's decentralized business units have policies and processes that suit their specific or local needs, each site also has its own supplementary documentation. These may include site-specific whistleblower policies, grievance mechanisms, human rights policies and hiring procedures.

Training

Hudbay's procurement and contracting teams are trained on the requirements of the company's Global Supplier Due Diligence Policy, which specifies requiring a screening question regarding the risk of forced or child labour in Peru, the company's business unit with the highest risk of exposure to forced or child labour. Vendor onboarding procedures are refreshed at each business unit level on a regular basis and employees in these functions are expected to maintain an understanding of industry norms, best practices, compliance requirements, and new legal obligations with respect to forced or child labour and related modern slavery considerations.

Remediation

As of the date hereof, Hudbay has not identified the use of forced or child labor within its organization or supply chain. As a result, the company has not suspended engagement with any suppliers, and remediation procedures have not yet been applicable. Hudbay's commitment to its purpose and values defines the company's culture and is the foundation for fostering mutually rewarding relationships with its stakeholders and building a sustainable company.

Company Due Diligence

Hiring Practices and Monitoring

Each of Hudbay's business units have their own hiring policies and procedures, that both correspond with the jurisdictional risk and align with Hudbay's Human Rights Policy to ensure Hudbay does not employ forced labour or child labour. In Canada, the company's Manitoba and British Columbia business units are governed by their provincial laws, *Manitoba Workplace Safety and Health Act*, and *Health Safety and Reclamation Act for Mines in B.C.*, respectively. These acts require the mines do not employ forced labour or employ any child under the age of 18. In Peru, the government denounces all forms of forced and child labour under the age of 18. All sites have processes in place to ensure compliance which includes a self-declaration and requirement to provide a passport or other form of primary identification prior to initiating employment. Hudbay monitors these processes at the corporate level through its third-party verification of the company's Toward Sustainable Mining ("TSM") performance which requires evidence of the existence of, and the ongoing monitoring of, the effectiveness of said procedures. Last third-party verification of Manitoba and Peru occurred in 2022, and British Columbia occurred in 2021.

The company's Arizona business unit is not yet required to report to the TSM protocol as they are not yet an operating site, but in an internal assessment that occurred in 2023, Hudbay confirmed all workers perform a pre-employment screening process to verify age and eligibility to work in the United States.

Training

Hudbay employees are introduced to Hudbay’s core compliance and ethical conduct policies and programs during the mandatory training and onboarding process to ensure each new employee has a general understanding of Hudbay’s responsibility in this area and of its commitment to operating ethically. All Board members and employees must confirm upon joining Hudbay that they understand and will comply with the Code of Business Conduct and Ethics, which includes an acknowledgement of Hudbay’s Human Rights Policy.

In addition, on an annual basis, all of Hudbay’s Board members, officers and employees with a Hudbay email address must re-certify compliance to certain core compliance policies, including the Code of Business Conduct and Ethics. For certain designated roles within the company, there is an expectation that certain employees maintain an understanding of industry norms, requirements, internal policies, and any new legal obligations with respect to fair labour practices.

Continued Focus on Responsible Sourcing Efforts

Going forward, Hudbay remains committed to identifying potential risks related to forced labour or child labour in the company’s supply chain. The company will continue to monitor compliance with its policies and procedures, including the recently enhanced global supplier due diligence policy, and is committed to continuing to work with external stakeholders, including our suppliers, to ensure alignment with human rights legislation. Hudbay will continue to evaluate opportunities for improvement in its supply chain risk processes across all of our business units and operating sites.

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Attestation Statement

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, I attest that I have reviewed the information contained in this report. Based on my knowledge and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the applicable reporting period and for the purposes of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

(signed) “*Peter Kukielski*” _____

Name: Peter Kukielski

Title: President and Chief Executive Officer